

FILED
Clerk
District Court

JAN 27 2005

For The Northern Mariana Islands
By [Signature]
(Deputy Clerk)

UNITED STATES DISTRICT COURT
NORTHERN MARIANA ISLANDS

UNITED STATES OF AMERICA,

Plaintiff,

v.

FERMINA ATALIG,

Defendant.

Criminal Case No. **CR 05 00004**

INDICTMENT

Title 18, U.S.C., § 371 - Conspiracy (Ct. 1);
Title 18, U.S.C., § 1001-- False Statements
(Cts. 2-8).

THE GRAND JURY CHARGES:

COUNT ONE

CONSPIRACY TO SUBMIT FALSE CLAIMS AND TO MAKE FALSE STATEMENTS

The Disaster Unemployment Assistance Program

1. At all times relevant to this Indictment, the Federal Emergency Management Agency ("FEMA") was an agency of the United States. Its mission was to alleviate the human suffering and physical damage which result from disasters. FEMA oversaw federal programs that provided financial aid and assistance to disaster victims, including the Disaster Unemployment Assistance ("DUA") program. FEMA delegated the administration of the DUA program to the United States Department of Labor.

2. At all times relevant to this Indictment, the DUA program was intended to help individuals who were left jobless in the wake of a major disaster. DUA benefits were available to both persons who lost jobs with their employers directly as a result of the disaster

1 and to self-employed persons, such as farmers and fishermen, who were unable to work as a
2 result of the disaster. Persons who were not employed on a full-time basis prior to the disaster
3 were not eligible for DUA benefits. DUA benefits consisted of weekly payments of not more
4 than \$250 per week to eligible workers during the "Disaster Assistance Period," which was
5 determined by FEMA following the President's declaration of a disaster area.

6 The Typhoon Pongsona Disaster

7 3. On or about December 7, 2002, Typhoon Pongsona struck the island of
8 Rota in the Commonwealth of the Northern Mariana Islands ("CNMI"), causing substantial
9 destruction.

10 4. On or about December 11, 2002, President George W. Bush declared Rota
11 a disaster area.

12 5. In or about late December, 2002, officials in the CNMI and in the
13 Municipality of Rota requested assistance from FEMA, including DUA assistance for residents
14 of Rota. FEMA granted this request. The United States Department of Labor then made funding
15 for the DUA program available to the CNMI government, which administered the DUA program
16 for the Typhoon Pongsona disaster through the CNMI Department of Labor and Immigration
17 ("DOLI").

18 The Defendant

19 6. At all times relevant to this Indictment, FERMINA ATALIG, the
20 defendant, was the Director of the Division of Employment Services for DOLI on Rota, and was
21 in charge of the DUA program on Rota during the Typhoon Pongsona Disaster Assistance
22 Period. ATALIG approved or denied all applications for DUA on Rota, calculated award
23 amounts and supervised her staff in calculating award amounts, and was also responsible for
24 overseeing all applications and record-keeping.

25 7. On or about February 16, 2003, an official of the United States
26 Department of Labor traveled to Rota and trained FERMINA ATALIG, the defendant, with
27 respect to the DUA program. Among other things, the training included intake; the application
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1 review process; eligibility requirements, including the requirement that applicants provide proof
2 of employment and income; and methodology for benefit calculation.

3 The DUA False Claim Scheme

4 8. From in or about February, 2003 to in or about June, 2003, FERMINA
5 ATALIG, the defendant, and others known and unknown, for the purpose of enhancing her
6 standing and that of other Rota officials with certain residents of Rota by appearing to secure for
7 them and the community in general valuable federal benefits, recruited, encouraged and assisted
8 residents of Rota and others whom they knew to be ineligible for DUA benefits to file false DUA
9 claims. Many applicants were ineligible because they were not full-time workers or did not
10 reside on Rota prior to Typhoon Pongsona. Other applicants were ineligible because they had
11 other sources of income, such as other federal or retirement benefits.

12 9. In furtherance of the DUA false claim scheme, and to mislead FEMA and
13 the United States Department of Labor with respect to the eligibility of DUA applicants,
14 FERMINA ATALIG, the defendant, and others known and unknown, prepared and caused to be
15 submitted DUA applications containing materially false statements, representations and
16 omissions of material fact. Such materially false statements and representations included, among
17 others: false statements that the applicant had been a full-time fisherman or farmer whose
18 employment had been disrupted as a result of Typhoon Pongsona; and false statements that the
19 applicant had resided on Rota prior to Typhoon Pongsona. Such omissions of material fact
20 included, among others: failing to state that the applicant had been a full-time student; and failing
21 to state that the applicant received other income in the form of federal and other retirement
22 benefits.

23 10. FERMINA ATALIG, the defendant, and others known and unknown, for
24 the purpose of substantiating the false claims of DUA eligibility included false documentation
25 with DUA applications. Among other false documentation, ATALIG and others included a letter
26 from the Mayor of Rota which falsely and fraudulently certified that the applicant had been
27 employed as a full time fisherman or farmer. ATALIG and others had, in fact, prepared such
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1 letters by filling in the names of DUA applicants on a photocopy of letter from the Mayor of Rota
2 that had been pre-signed with the name of the applicant left blank.

3 11. During the Disaster Assistance Period, approximately 365 DUA recipients
4 received over \$1,280,000.00 from the United States government.

5 The Conspiracy

6 12. From in or about February 2003 until in or about June 2003, in the District
7 of the Northern Mariana Islands, FERMINA ATALIG, the defendant, together with others
8 known and unknown, unlawfully, wilfully and knowingly, did combine, conspire, confederate,
9 and agree together and with each other to commit offenses against the United States, namely, to
10 submit false claims against the United States, in violation of Title 18, United States Code,
11 Section 287; and to make false statements, in violation of Title 18, United States Code, Section
12 1001.

13 13. It was a part and an object of said conspiracy that FERMINA ATALIG,
14 the defendant, together with others known and unknown, unlawfully, wilfully and knowingly,
15 would and did make and present to departments and agencies of the United States, namely, to
16 FEMA and the United States Department of Labor, claims upon and against the United States,
17 and departments and agencies thereof, knowing such claims to be false, fictitious and fraudulent,
18 in violation of Title 18, United States Code, Section 287.

19 14. It was a further part and object of said conspiracy that FERMINA
20 ATALIG, the defendant, together with others known and unknown, unlawfully, wilfully and
21 knowingly, in a matter within the jurisdiction of the executive branch of the Government of the
22 United States, namely, within the jurisdiction of FEMA and of the United States Department of
23 Labor, would and did falsify, conceal, and cover up by any trick, scheme, and device a material
24 fact, make materially false, fictitious, and fraudulent statements and representations, and make
25 and use false writings and documents knowing the same to contain materially false, fictitious and
26 fraudulent statements and entries, in violation of Title 18, United States Code, Section 1001.

Means and Methods of the Conspiracy

15. Among the means and methods by which FERMINA ATALIG, the defendant, together with others known and unknown, would and did carry out the conspiracy were the following:

a. FERMINA ATALIG, the defendant, and her co-conspirators, included false information in DUA applications that they prepared on behalf of DUA applicants.

b. FERMINA ATALIG, the defendant, and her co-conspirators, overstated the income of DUA applicants and on that basis awarded excessive DUA benefit amounts.

c. FERMINA ATALIG, the defendant, and her co-conspirators, included in DUA applications a letter purportedly from the mayor of Rota falsely certifying that the applicant was a full time farmer or fisherman.

d. FERMINA ATALIG, the defendant, and her co-conspirators, approved DUA benefits for applicants whom they knew were ineligible because they had not been employed before Typhoon Pongsona and therefore were not unemployed as a result of it.

e. FERMINA ATALIG, the defendant, and her co-conspirators, approved DUA benefits for applicants whom they knew were ineligible because they had been full-time students before Typhoon Pongsona and therefore not unemployed as a result of it.

f. FERMINA ATALIG, the defendant, and her co-conspirators, approved DUA benefits for applicants whom they knew were ineligible because they had other sources of income.

g. FERMINA ATALIG, the defendant, and her co-conspirators, approved DUA benefits for applicants whom they knew were ineligible because they had not resided on Rota prior to Typhoon Pongsona and during the Disaster Assistance Period.

h. FERMINA ATALIG, the defendant, and her co-conspirators, approved for DUA benefits applicants whom they knew were ineligible because they were not farmers or fishermen as incorrectly stated on their applications.

Overt Acts

16. In furtherance of said conspiracy and to effect the illegal object thereof, FERMINA ATALIG, the defendant, and her co-conspirators, committed the following overt acts, among others, in the District of the Northern Mariana Islands:

a. On or about April 9, 2003, FERMINA ATALIG, the defendant, approved the false, fictitious and fraudulent DUA application for DUA applicant "FBH."

b. On or about April 12, 2003, FERMINA ATALIG, the defendant, approved the false, fictitious and fraudulent DUA application for DUA applicant "DMM."

c. On or about April 12, 2003 FERMINA ATALIG, the defendant, approved the false, fictitious and fraudulent DUA application for DUA applicant "SSNR."

d. On or about April 12, 2003, FERMINA ATALIG, the defendant, approved the false, fictitious and fraudulent DUA application for DUA applicant "LASW."

e. On or about April 12, 2003, FERMINA ATALIG, the defendant, approved the false, fictitious and fraudulent DUA application for DUA applicant "NEA."

f. On or about April 15, 2003, FERMINA ATALIG, the defendant, approved the false, fictitious and fraudulent DUA application for DUA applicant "JAR."

g. On or about April 21, 2003, FERMINA ATALIG, the defendant, approved the false, fictitious and fraudulent DUA application for DUA applicant "RIM."

(Title 18, United States Code, Section 371).

THE GRAND JURY FURTHER CHARGES:

COUNTS TWO THROUGH EIGHT

FALSE STATEMENTS

17. The grand jury realleges, adopts, and incorporates by reference herein, the allegations contained in paragraphs one (1) through fifteen (15) as if fully set forth herein.

18. On or about the dates set forth below, FERMINA ATALIG, the defendant, and others known and unknown, in a matter within the jurisdiction of the executive branch of the Government of the United States, namely, within the jurisdiction of FEMA and of the Department of Labor, unlawfully, knowingly and willfully, falsified, concealed, and covered up

by trick, scheme, and device a material fact, and made and used false writings and documents knowing the same to contain materially false, fictitious and fraudulent statements, namely, FERMINA ATALIG, the defendant, together with others known and unknown, with respect to the DUA applications identified in Counts Two through Eight, below, prepared and submitted such applications, and aided and abetted the preparation and submission of such applications, knowing that the applicants were not eligible for DUA benefits and that such applications contained materially false and misleading statements, representations and information concerning the eligibility of the respective applicants:

COUNT	DATE	APPLICANT
TWO	April 9, 2003	FBH
THREE	April 12, 2003	DMM
FOUR	April 12, 2003	SSNR
FIVE	April 12, 2003	LASW
SIX	April 12, 2003	NEA
SEVEN	April 15, 2003	JAR
EIGHT	April 21, 2003	RIM

(Title 18, United States Code, Sections 1001 and 2).

Dated this 27th day of January, 2005.

A TRUE BILL.


Foreperson

LEONARDO M. RAPADAS
United States Attorney
Districts of Guam and CNMI

By:


TIMOTHY E. MORAN
Assistant United States Attorney